Agenda Date: 7/29/09 Agenda Item: IIIC



STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.nj.gov/bpu

		CABLE TELEVISION
IN THE MATTER OF COMCAST CABLE COMMUNICATIONS, LLC FOR APPROVAL OF THE FILING OF FCC FORM 1205 DETERMINING REGULATED EQUIPMENT AND INSTALLATION COSTS USING THE OPTIONAL EXPEDITED RATE PROCEDURES))))	ORDER ADOPTING STIPULATION DOCKET NO. CR09030181

(SERVICE LIST ATTACHED)

BY THE BOARD:

On March 2, 2009, Comcast Cable Communications, LLC ("Petitioner") filed Federal Communications Commission ("FCC") Form 1205, Docket Number CR09030181, seeking approval by the Board of Public Utilities ("Board") for rate adjustments for regulated equipment and installation costs affecting all regulated rate districts in the State of New Jersey pursuant to the Cable Television Consumer Protection and Competition Act of 1992, 47 <u>U.S.C.</u> § 543 et seq., and provisions of the New Jersey Cable Television Act, <u>N.J.S.A.</u> 48:5A-1 et seq.

The Board, at its public meeting on January 10, 1996, in Docket Number CX95120636, approved the implementation of Optional Expedited Rate Procedures for the processing of certain filings made with the Office of Cable Television. The intended purpose of these procedures is to grant final rates as quickly as possible to any cable company that chooses this process. In the spirit of cooperation based on the principles of Alternate Dispute Resolution, the discovery content is limited, thereby reducing the timeframe for settlement.

Petitioner chose to pursue its filing with the Board through the approved procedures. To that end, a pre-transmittal conference was held on March 30, 2009 and attended by representatives of the Petitioner, the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") and Board Staff. Petitioner agreed to waive its Office of Administrative Law ("OAL") litigation rights for this matter. It should be noted that Petitioner's waiver was a knowing, voluntary and intelligent waiver of its litigation rights at the OAL and that the waiver did not constitute a circumvention of the FCC rules nor did it affect Petitioner's right to appeal in that forum.

Petitioner notified its customers of the rate changes by way of newspaper announcements informing them of their opportunity to submit written comments to the Board for a period of thirty days. The notices appeared in The Daily Journal on May 2, 2009, the Gloucester County Times on May 3, 2009, the Burlington County Times on May 4, 2009, the Courier Post, the Princeton Packet and The Trenton Times on May 5, 2009, the Beach Haven Times, The Bergen Record, The County Herald, the Hunterdon Review and the Star Ledger on May 6, 2009, the Asbury Park Press, the Bernardsville News, the Cape May Star and Wave, the Chatham Courier, News, the Daily Record, the Echoes Sentinel, the Gloucester City News, the Hunterdon County Democrat, The Lambertville Beacon and The Observer Tribune on May 18, 2009, the Hunterdon County Democrat, The Lambertville Beacon and The Deserver Tribune on May 18, 2009, the Hunterdon County Democrat, The Lambertville Beacon and The Daily Record, the Hunterdon County Democrat, The Lambertville Beacon and The Daily Recor

After review by Staff and Rate Counsel of the supporting documentation, schedules and other discovery requests, a settlement conference was held on April 3, 2009. On July 1, 2009, the parties entered into a Stipulation of Settlement.

The Board has reviewed the Stipulation of Settlement and <u>FINDS</u> it to be reasonable, in the public interest and in accordance with the law. Therefore, the Board <u>HEREBY ADOPTS</u> the Stipulation of Settlement (attached hereto) as its own, incorporating by reference the terms and conditions therein as if fully set forth at length herein.

The Board <u>FURTHER</u> <u>ORDERS</u> that, subject to the ongoing review before the Federal Communications Commission, should these cable systems, or any part thereof, merge and/or migrate to another system, be upgraded and/or rebuilt, its ownership or control be otherwise sold or transferred to another entity, the basic service tier rate that will be eliminated or superseded as a result of the merger, migration, upgrade, rebuild, sale or transfer must be "trued-up" [47 <u>C.F.R.</u> § 76.922 (e) (3)]. The final true-up for the affected systems, or any parts thereof, should be calculated on FCC Form 1240 and begin where the last true-up period ended on its prior FCC Form 1240. This true-up calculation should be filed with the Board when all the affected subscribers are being charged the rate resulting from the merger, migration, upgrade, rebuild, sale or transfer and may be filed in conjunction with the annual rate adjustment cycle (Form 1240) established as a result of said merger, migration, upgrade, rebuild, sale or transfer.

The cable systems, or any part thereof, may be subsequently deregulated as a result of a finding by the Board, the FCC or other party of competent jurisdiction that these systems or any portion thereof, are subject to effective competition. Should that occur, the last basic service rate established as a result of a prior FCC Form 1240, or such subsequent rate calculation method as may be heretofore adopted by the Board, the FCC or any other party of competent jurisdiction, prior to the deregulation of any rate that is now or may in the future be subject to the Board's jurisdiction, must be trued-up for the period of time that the affected rates were subject to regulation by the Board.

The above referenced true-up procedure does not exclude any cable system party to this order.

DATED: 7/29/09

BOARD OF PUBLIC UTILITIES BY:

JEANNE M. FOX

FREDERICK F. BUTLER COMMISSIONER

OSEPH L. FIGRDALISO

NICHOLAS ASSELTA COMMISSIONER

ELIZABETH RANDAL COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public

Utilities

IN THE MATTER OF COMCAST CABLE COMMUNICATIONS, LLC FCC FORM 1205 USING THE OPTIONAL EXPEDITED RATE PROCEDURES DOCKET NUMBER: CR09030181

SERVICE LIST

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IN THE MATTER OF COMCAST CABLE)
COMMUNICATION, LLC'S FILING)
OF FCC FORM 1205 FOR AN ANNUAL)
RATE ADJUSTMENT FOR REGULATED)
INSTALLATION AND EQUIPMENT)
COSTS USING THE OPTIONAL)
EXPEDITED RATE PROCEDURES)

CABLE TELEVISION

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

BPU DOCKET NUMBER CR09030181

Salmon Waller

STIPULATION OF FINAL RATES

The undersigned parties, as a result of a review of the Federal Communications Commission ("FCC") Form 1205 and timely filed public comments in this matter hereby stipulate to the following findings of fact and conclusions of law for consideration by the Board of Public Utilities ("Board"); and,

As part of the Optional Expedited Rate Procedures Comcast Cable Communications, LLC ("Petitioner") agreed to waive their litigation rights at the Office of Administrative Law ("OAL") in this proceeding. It should be noted that Petitioner's waiver was a knowing, voluntary and intelligent waiver of its litigation rights at the OAL and the waiver did not constitute a circumvention of the FCC rules nor did it affect the Company's right to appeal in that forum.

WHEREAS, the Cable Television Consumer Protection and Competition Act of 1992, <u>Pub. L. No.</u> 102-385, 106 <u>Stat.</u> 1460 (1992), codified at 47 <u>U.S.C.</u> §543 <u>et seq.</u>, (the "Federal Act"), classified the delivery of cable television services into two separate rate regulated categories: (i) "basic service" (consisting primarily of "off-the-air" and public, educational and governmental channels) and associated equipment and installation; and (ii) cable programming services ("CPS") (consisting of other tiers of channels) and associated equipment; and

WHEREAS, under the Federal Act, basic service is regulated by the "franchising authority," and

WHEREAS, under the provisions of the New Jersey Cable Television Act ("New Jersey Act"), N.J.S.A. 48:5A-1 et seq., the relevant franchising authority is the Board; and

WHEREAS, the Federal Act required the FCC to issue regulations governing the standards to be used by franchising authorities in regulating basic service rates; and

WHEREAS, under the regulations adopted March 30, 1994, 47 <u>C.F.R.</u> §76.922 <u>et seq.</u>, a cable operator may adjust its rates by electing the annual rate adjustment system under the regulations adopted September 15, 1995 (47 <u>C.F.R.</u> §76.922) by filing a Form 1240 <u>and</u> a Form 1205 on the same date; and

WHEREAS, on March 2, 2009, Petitioner, serving the Boroughs of Avalon, Stone Harbor, Riverton, Palmyra, Roosevelt, Helmetta, Hightstown, Millstone, Princeton, Rocky Hill, Flemington, Clinton, Lebanon, Chester, Peapack-Gladstone, Mendham, Far Hills, Audubon Park, Oaklyn,

Gibbsboro, Collingswood, Hi-Nella, Woodlynne, Pine Hill, Merchantville, Laurel Springs, Medford Lakes, Lindenwold, Bellmawr, Runnemede, Magnolia, Tavistock, Somerdale, Stratford, Berlin, Pitman, Clementon, Pine Valley, Glassboro, National Park, Wenonah, Westville, Woodbury Heights, Harvey Cedars, Rutherford, North Arlington, Hopewell, Pennington, Monmouth Beach, Allenhurst, Highlands, Island Heights, Lakehurst, Ocean Gate, Pine Beach, South Toms River, Tuckerton, Fanwood, Mountainside, Verona, Roseland, Essex Fells, New Providence, Washington (Warren), Hampton (Hunterdon), Glen Gardener (Hunterdon), Mantoloking, Bay Head, Point Pleasant, Point Pleasant Beach, Stockton, Longport, Elmer, Folsom, Chesilhurst, Shiloh, Newfield, Buena, Penns Grove, Swedesboro, Woodstown, Brooklawn, Mount Ephraim, West Cape May, Cape May Point, West Wildwood and Wildwood Crest, the Townships of Middle, Upper, Willingboro, Burlington, Westhampton, Edgewater Park, Delran, Bordentown, Riverside, Cinnaminson, Delanco, South Brunswick, Plainsboro, East Windsor, West Windsor, Hillsborough, Franklin (Somerset), Branchburg, Montgomery, Princeton, Long Hill, Chatham, Bernardsville, Harding, Raritan, Clinton, Readington, East Amwell, Union, Franklin (Hunterdon), Bethlehem, Chester, Bedminster, Tewksbury, Mendham, Berlin, Mount Laurel, Evesham, Haddon, Medford, Hainesport, Gloucester, Moorestown, Voorhees, North Hanover, Deptford, Greenwich, Mantua, West Deptford, Lyndhurst, Lower, Ewing, Lawrence, Shrewsbury, Hazlet, Barnegat, Berkeley, Eagleswood, Lacey, Little Egg Harbor, Manchester, Stafford, Scotch Plains, Clark, Livingston, West Caldwell, Fairfield, Maplewood, Caldwell, Hillside, Millburn, Springfield, Montclair, Berkeley Heights, Glen Ridge, Mansfield, Washington (Warren), Washington (Morris), Independence, Franklin (Warren), Brick, Hopewell (Mercer), West Amwell, Delaware, Maurice River, Washington (Burlington), Mullica, Elk, Woolwich, Commercial, Deerfield, Downe, Fairfield, Lawrence, Harrison, Mannington, Pilesgrove, Pittsgrove, Upper Pittsgrove, South Harrison, Upper Deerfield, Buena Vista, Waterford, Winslow, Washington (Gloucester), Monroe, Alloway, Elsinboro, Lower Alloways Creek, Pennsville, Quinton, Hopewell (Cumberland), Franklin (Gloucester) Logan, Oldsmans and Maple Shade, the Cities of Sea Isle City, Burlington, Beverly, Bordentown, Woodbury, Linden, East Orange, Summit, Lambertville, Absecon, Linwood, Northfield, Somers Point, Brigantine, Margate, Ocean City, Salem, Bridgeton, Vineland, Millville, Gloucester City, Wildwood, Cape May and North Wildwood, the Towns of Kearny, West Orange, Harrison, Hackettstown, Westfield and Hammonton and the Village of Loch Arbour filed an aggregate Form 1205, Docket Number CR09030181, with the Board, seeking approval of regulated installation and equipment rate adjustments listed on the attached Schedule A for its regulated New Jersey systems for the rate cycle of January 1, 2010 through December 31, 2010. However, during this period, if Petitioner chooses to decrease these rates, with proper notice to its subscribers and the Board this decrease will not affect the established rate cycle; and

TO THE WAR

WHEREAS, the Board Staff ("Staff") and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), upon review of the FCC Form 1205 filed in this matter, supporting documentation and schedules thereto, agree that the proposed rates as set forth in Schedule A are just and reasonable; and

WHEREAS, the Staff, Rate Counsel and Petitioner have engaged in discussions of this matter; and

WHEREAS, the Staff, Rate Counsel and Petitioner have concluded that the Company is entitled to the agreed upon rates which it seeks in its aggregate FCC 1205 filing in this matter;

NOW, THEREFORE, Staff, Rate Counsel and Petitioner hereby STIPULATE AS FOLLOWS:

- Petitioner notified its customers of the proposed rate changes via newspaper announcements and has informed them of their opportunity to submit written comments for a period of thirty (30) days.
- The effective date for the equipment and installation service rates reflected on Schedule A, under Docket Number CR09030181, is January 1, 2010.
- The rate cycle established under Docket Number CR09030181, is January 1, 2010 through December 31, 2010.
- 4. These stipulated rates shall be subject to the approval of the Board and all revenues collected as a result of these rates shall be subject to refund, pursuant to the rules and regulations of the FCC as well as those of the Board if the Board finds these rates to be unjustified in whole or in part or in any way implemented improperly.
- This Stipulation of Settlement resolves all issues raised by the filing which is the subject of the within matter.
- 6. The signatories agree that, except as expressly provided herein, this Stipulation has been made exclusively for the purpose of this proceeding and that the Stipulation contained herein, in total or by specific items, is in no way binding upon the parties in other proceedings before the Board or in other forums or jurisdictions, nor are the contents of this Stipulation, in total or by specific items, by inference, inclusion, or deletion, in any way to be considered or used by another party as any indication of the position of any party hereto on any issue litigated or to be litigated in other proceedings.

This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the parties expressly and jointly state that they would not have signed the agreement had any term been modified in any way. Each party is entitled to certain procedures in the event that any modification is made to the terms of this Stipulation. That is, the signatory party must be given the right to be placed in the position it was in before the Stipulation was entered. Therefore, if any modification is made to the terms of this Stipulation, it is essential that each party be given the option, before the implementation of any new rate resulting from this action, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

The parties believe these provisions are fair to all concerned and therefore they are made an integral and essential element of this Stipulation. This being the case, all parties expressly agree to support the right of any other party to this Stipulation to enforce all terms and procedures detailed herein.

GLORIA J. FURLONG OFFICE OF CABLE TELEVISION

DATED: 7/1/09

By: Supervising Administrative Analyst

RONALD K. CHEN, ESQ.
PUBLIC ADVOCATE OF NEW JERSEY

STEPHANIE BRAND, ESQ., DIRECTOR, DIVISION OF RATE COUNCIL

DATED: 6/30/09

Yose Rivera-Benitez, Esq.
Assistant Deputy Public Advocate

COMCAST CABLE COMMUNICATION,

LLC

DATED: 6/29/09

Dennis C. Linken, Esq.

Stryker, Tams & Dill

SCHEDULE A

COMCAST CABLEVISION CONSOLIDATED OPERATIONS IN THE STATE OF NEW JERSEY

SERVICES	PRESENT RATES	SETTLEMENT RATES EFFECTIVE 1/1/2010	DIFF	%
INSTALLATION CHARGES	INTES	1/1/2010	DIFF	70
STANDARD INSTALLATION-PRIMARY OUTLET (STANDARD INSTALLATION: 150' OR LESS FROM TAP) (AERIAL & UNDERGROUND)	\$44.45	\$45.75	\$1.30	2.93%
NONSTANDARD INSTALL-PRIMARY OUTLET (PER HOUR) (NON-STANDARD INSTALLATION: OVER 150' FROM TAP) (AERIAL & UNDERGROUND)	\$33.80	\$33.20	(\$0.60)	-1.78%
SERVICE AREA RELOCATION INSTALLATION/TRANSFER OF SERVICE (EXISTING CUSTOMER MOVES WITHIN SERVICE AREA AND TAKES CURRENT EQUIPMENT TO A NEW RESIDENCE THAT IS ALREADY CABLED)	\$25.70	\$26.45	\$0.75	2.92%
ADDITIONAL OUTLET INSTALLATION (CABLED OR NON-CABLED, SAME TRIP)	\$15.15	\$15.60	\$0.45	2.97%
ADDITIONAL OUTLET INSTALLATION (CABLED OR NON-CABLED, SEPARATE TRIP)	\$25.45	\$26.20	\$0.75	2.96%
ACTIVATE PRE-EXISTING ADDITIONAL OUTLET	\$10.80	\$10.15	(\$0.65)	-6.02%
DVD, VCR OR PICTURE-IN-PICTURE INSTALLATION (SAME TRIP)	\$7.60	\$7.80	\$0.20	2.61%
DVD, VCR OR PICTURE-IN-PICTURE INSTALLATION (SEPARATE TRIP)	\$14.55	\$14.95	\$0.40	2.73%
RELOCATION OF OUTLET (INTERIOR WORK ONLY, SAME TRIP)	\$17.95	\$17.60	(\$0.35)	-1.95%
RELOCATION OF OUTLET (INTERIOR WORK ONLY, SEPARATE TRIP)	\$20.35	\$20.95	\$0.60	2.95%
PREMIUM SERVICE INSTALLATION (SAME TRIP)	NO CHARGE	N0 CHARGE	\$0.00	0.00%
PREMIUM SERVICE INSTALLATION (SEPARATE TRIP)	\$16.85	\$17.35	\$0.50	2.94%
VIDEO GAME OR A/B SWITCH INSTALLATION (SAME TRIP)	NO CHARGE	NO CHARGE	\$0.00	0.00%
VIDEO GAME OR A/B SWITCH INSTALLATION (SEPARATE TRIP)	\$14.55	\$14.30	(\$0.25)	-1.72%
PARENTAL CONTROL DEVICE INSTALLATION (SAME OR SEPARATE TRIP)	NO CHARGE	NO CHARGE	\$0.00	0.00%
CONVERTER OR REMOTE CONTROL UNIT INSTALLATION (SAME TRIP)	NO CHARGE	NO CHARGE	\$0.00	0.00%
REMOTE CONTROL UNIT INSTALLATION (SEPARATE TRIP)	\$6.70	\$6.55	(\$0.15)	-2.24%
REMOTE CONTROL UNIT INSTALLATION (CUSTOMER PICKS UP)	NO CHARGE	NO CHARGE	\$0.00	0.00%
UNNECESSARY TRIP CHARGE	\$6.70	\$6.55	(\$0.15)	-2.24%
CONVERTER INSTALLATION (SEPARATE TRIP)	\$14.55	\$14.30	(\$0.25)	-1.72%
RECONNECT CHARGE - LIMITED BASIC SERVICE OR EXPANDED SERVICE	\$25.65	\$25.65	\$0.00	0.00%
RECONNECT AFTER TEMPORARY SUSPENSION OF SERVICE (4 MONTH MAXIMUM)	\$25.65	\$25.65	\$0.00	0.00%
RELOCATION OF DROP (EXTERIOR ONLY)	\$25.40	\$24.95	(\$0.45)	-1.77%
SERVICE AND SPECIALIZED WORK SERVICE CALLS (NON-CABLE RELATED PROBLEM [A PROBLEM NOT CAUSED BY A DEFECT IN THE FACILITIES OR OF THE SERVICES PROVIDED BY THE COMPANY], OR DAMAGE CAUSED BY CUSTOMER NEGLIGENCE)	\$25.90	\$25.90	\$0.00	0.00%
HOURLY SERVICE CHARGE	\$33.80	\$33.20	(\$0.60)	-1.78%
FISHING WALLS, PREWIRING OR POSTWIRING (PER HOUR)	\$33.80	\$33.20	(\$0.60)	-1.78%
RERUN OF EXTERIOR DROP (AT REQUEST OF CUSTOMER)	\$44.45	\$45.75	\$1.30	2.93%
CHANGE OF SERVICE:			•	
ADD SERVICE (INSTALLED OTHER THAN WITH PRIMARY OUTLET AND TECHNICIAN GOES TO HOME	\$17.55	\$16.55	(\$1.00)	-5.70%
DELETE SERVICE (TECHNICIAN GOES TO HOME)	\$10.75	\$10.75	\$0.00	0.00%
ADD OR DELETE SERVICE (SUBSEQUENT TO INITIAL INSTALL AND (A) CUSTOMER PICKS UP DROPS OFF CONVERTER, OR (B) ADDRESSABLE ADDITION OR DELETION)	\$1.99	\$1.99	\$0.00	0.00%
VIDEO REACTIVATION FEE	\$1.99	\$1.99	\$0.00	0.00%

SCHEDULE A

OTHER CHARGES IN PERSON COLLECTION OF PAST DUE BALANCE		\$18.70	\$18.35	(\$0.35)	-1.87%
EQUIPMENT CHARGES LIMITED BASIC SERVICE ONLY CONVERTER (NON-ADDRESSABLE)*		\$0,35	\$0.35	\$0.00	0.00%
		\$1.10	\$1.10	\$0.00	0.00%
LIMITED BASIC SERVICE ONLY CONVERTER (ADDRESSABLE) *** ANALOG ADDRESSABLE CONVERTER (NEW RENTALS NO LONGER AVAILABLE FROM THE COMP	HE COMPANY	\$3.40	\$3.20	(\$0.20)	-5.88%
		\$3,40	\$3.20	(\$0.20)	-5.88%
DIGITAL CONVERTER** STANDARD OR UNIVERSAL WIRELESS REMOTE CONTROL** DIGITAL CONVERTER, WITH HIGH DEFINITION TELEVISION (HDTV) CAPABILITIES CEN		\$0,25	\$0.25	\$0.00	0.00%
		\$9.80	\$9.25	(\$0.55)	-5.61%
	CENTRAL II	\$8.20	\$9.25	\$1.05	12.80%
CARLE CARD	15	T FREE/\$1.50 1ST	FREE/\$1.50	\$0.00	0.00%

^{*}NOT OFFERED IN AVALON, CENTRAL II, GARDEN STATE, LBI AND NEW JERSEY (TOMS RIVER)
**NORTHWEST NJ RATES FOR DIGITAL CONVERTER IS \$1.84 AND REMOTES ARE \$.15

^{***}The monthly rate for a Limited Basic Service Only Converter (digital) on a primary outlet will be reduced from \$1.10 to \$0.65 through a \$0.45 BPU Credit for the Rate Cycle of January 1, 2010 through December 31, 2010,